

**VZ/Level 3 Unitary Compensation and Interconnection Architecture**  
**Contract Amendments**  
**Effective 4/1/04**

Unitary Compensation Rate

- Applies to Local and ISP bound traffic (including VFX ISP traffic)
- \$.0005/mou April 1-December 31 2004
- \$.00045/mou January 1-December 31 2005
- \$.0004/mou January 1 2006 through termination
- VZ payment for Local/ISP traffic mous capped based on volume of compensable mous sent to Level 3 between July 1 2002-June 30 2003; caps are 175% in 2004, 200% in 2005, 225% in 2006 and subsequent years
- Prerequisites to VZ payment: if there are outstanding billing disputes on the effective date, no compensation is to be paid for ISP traffic sent to L3 and reciprocal compensation rates apply to Local Traffic and ISP traffic from L3 to VZ; if L3 fails to comply with mutual POI architecture and/or call record requirements, then rate for traffic from VZ to L3 drops to zero (amendment sets dispute resolution process if L3 disagrees)
- Unitary rate does not apply to UNE P traffic

Compensation for VOIP Traffic

- VOIP traffic originating and terminating on the PSTN subject to interstate access (pursuant to FCC order released April 24 2004) subject to negotiation upon any change in law
- Parties do not agree on compensation for other VOIP traffic
- Level 3 to identify and track VOIP traffic originating from or terminating to PSTN
- Level 3 shall pay at least the unitary rate for VOIP traffic to VZ; VZ may bill access
- Parties agree to implement FCC VOIP orders retroactively to effective date of agreement (if FCC acts first on L3 VOIP petition, the parties will then implement any generic FCC VOIP order prospectively from the effective date of the generic order)
  - o If the FCC treats VOIP as Information Service traffic or as Local Traffic, then VOIP traffic shall be subject to \$.0007/mou (if VZ PSTN traffic to L3 VOIP is more than 10% greater than L3 VOIP to VZ PSTN traffic, then the rate paid by VZ for traffic in excess of the 10% imbalance shall be the unitary rate)

Call Records/Jurisdictional and Billing Indicators

- Billing shall be based on call records or other information that allows the receiving party to determine call jurisdiction in accordance with the agreement

- Parties shall not remove, alter, or replace call records or insert call record information that does not correspond to the calling party
- Parties shall pass call records on each call, including VOIP traffic, to the extent technically feasible
- If calls with call record information is greater than 90%, then calls without call record information shall be billed according to the jurisdictional proportion of calls passed with call record information; below 90%, those calls without call record information shall be billed intrastate switched access
- Parties may use auditable PIU/PLU report if the receiving party lacks the ability to bill based on call records

### Mutual POI Architecture

- Mutual POIs shall generally be established at each VZ Tandem Wire Center; these may be implemented via collocation or L3 may purchase intrastate access-rated transport from VZ; unitary rate (and no additional charges other than VZ charges for collocation, muxing, and cross connects) applies for Local/ISP Traffic handed off at the terminating mutual POI
- L3 may deliver toll traffic over same trunks as Local/ISP Traffic subject to prorating port, transport, or other applicable access charges
- VZ may request that any L3 end office collocation site be established as the mutual POI for traffic originated from or terminated to that end office
- VZ may request that L3 establish DEOTs from a mutual POI to any end office if traffic from L3 to the end office exceeds 2 DS1s for any 3 months in a 6 month period (DEOTs from mutual POI to end office shall not be charged to L3)
- In LATAs with fewer than 2 VZ tandems, VZ may request additional mutual POIs at any end office where traffic exchanged with L3 reaches 6 DS1s (approximately 1.3M mou/month) or at any host end offices subtended by remote end offices
- For VZ offices subtending a third party tandem, VZ may elect to exchange traffic through the third party tandem, or may designate a point on the VZ network in the relevant tandem serving area (compensation rates apply at the designated point; the originating party pays any transiting fees charged by a third party tandem provider)
- In any LATAs where the parties have previously established a different interconnection architecture, VZ may require L3 to convert to a mutual POI architecture (which L3 shall implement within 6 months, or VZ may bill intrastate access transport and entrance facilities where applicable between the proposed mutual POI and the L3 switch)

### Two Way Trunking

- Either party may request a transition from existing one way trunks to two way trunks, subject to negotiation of a transition plan and to applicable VZ NRC conversion charges